

COLORADO DEPARTMENT OF AGRICULTURE

ANNUAL REPORT

July 2000 – June 2001



Governor Bill Owens
Commissioner of Agriculture Don Ament
Deputy Commissioner Robert G. McLavey

Colorado Agriculture

- Colorado agriculture provides not only food but also ingredients for products in other industries such as x-ray film, bandages, crayons, piano keys, footballs, hydraulic brake fluid and perfume.
- Nearly 29,000 farms and ranches cover nearly half the state, on 31.8 million acres. Colorado agriculture helps feed the nation, provides wildlife habitat, protects the environment and fuels the state economy.
- More than 105,000 jobs, 4.4 percent of the state's total, are provided by agribusiness, which generates nearly \$16 billion for Colorado's economy.
- Agriculture cash receipts are more than \$4.5 billion, with 66 percent credited to livestock. Colorado farmers and ranchers exported more than \$923 million in goods and services in 1998. Japan, Canada, Mexico and Korea receive the largest share of Colorado food products.
- Our top farm and ranch products, in terms of production, are cattle and calves; corn; wheat; dairy products; hay, greenhouse/nursery; hogs and pigs, poultry and eggs, potatoes, and sheep and lambs.

Our Mission

The Colorado Department of Agriculture is committed to strengthening agriculture's future; providing consumer protection; promoting environmental quality and animal health; and ensuring equity and integrity in business and government.

Our Organization

The Colorado Department of Agriculture serves the state through seven divisions: Animal Industry, Brand Inspection, Colorado State Fair, Inspection and Consumer Services, Markets, Plant Industry and Soil Conservation Board. In addition, the Department administers five independent authorities.

- **The Colorado State Fair Authority** directs and supervises the Colorado State Fair. Eleven members govern the authority, 10 of which are appointed by the Governor with consent of the Senate. The Commissioner of Agriculture, or his or her designee, is the eleventh member.
- **The Colorado Horse Development Authority**, representing a variety of horse interests and breeds, works to promote the horse industry and educate people on the health care and welfare of horses. The horse authority is governed by 14 members, all appointed by the Commissioner of Agriculture.
- **The Colorado Wine Industry Development Board** researches grape and wine production, and promotes Colorado wines in Colorado and across the United States. The wine board is governed by 10 board members, all appointed by the Governor.
- **The Colorado Agricultural Development Authority (CADA)** encourages the investment of private capital in the agricultural sector through the use of public financing in order to make low-interest loans available to agricultural producers for specific uses. Seven board members govern CADA: three appointed by the president of the state Senate, three by the Speaker of the House, and one by the Governor. The Commissioner of Agriculture also serves on the board as a non-voting member.
- **The Colorado Aquaculture Board** provides input on the promotion and development of the aquaculture industry. Seven members including producers, representatives from the Colorado Division of Wildlife, representatives from the U.S. Fish and Wildlife Service and representatives from the Colorado Department of Agriculture serve on this board.

Office of Commissioner Don Ament

Robert G. McLavey, Deputy Commissioner

Jenifer Gurr, Executive Assistant

The Commissioner and Deputy Commissioner serve as spokesmen on issues facing agriculture and its importance to Colorado. Oftentimes, citizens in urban areas are not aware of the poor economic conditions and struggles facing rural areas and the agricultural industry. Serving as an open forum, three town meetings were held in Yuma, Delta and Walden for the public to discuss their concerns. In addition, the Deputy Commissioner provides day-to-day administration and serves as the Chief Liaison to the General Assembly.

Platte River Governance Committee

In 1997, Colorado joined an agreement with Wyoming, Nebraska and the Department of Interior to address upstream impacts on four endangered or threatened species in the river's lower ecosystem. As committee chair, Commissioner Ament was the state's lead negotiator. He helped the group seek a three-year extension and avoided interruptions to uses of the river. Water users on the South Platte are exempt from Section 7 consultation for the Endangered Species Act when making changes to their water diversion activities.

Governor's Commission on Saving Open Space, Farms and Ranches

Commission members, including Commissioner Ament, examined the public and private efforts to preserve agricultural land in Colorado. A final report was submitted to the Governor in December, which included recommendations such as ending federal estate tax on farms and ranches, creating tax incentives for farm and ranch management agreements and exploring innovative solutions to Colorado's water needs.

Governor's Ag Summit

Commissioner Ament moderated the first Summit in Brush in February. The standing room only crowd of about 600 included legislators and cabinet members. They listened to panel discussions with industry leaders representing areas such as general farm organizations, primary crops, livestock, specialty crops and water interests. Questions and comments from the audience followed.

Predator Management Advisory Committee

As co-chair, Commissioner Ament submitted a final report to the General Assembly and the Division of Wildlife. The Division of Wildlife is currently developing studies to determine predator impact. Throughout the process, the Commissioner succeeded in separating wildlife and domestic livestock issues.

Colorado Agricultural Commission

One Democrat and one Republican represent each of the agricultural districts. With four-year terms, members are Bob Briggs, Steve Ela, Max Harper, Penny Lewis, Glen Murray (chair), Brad Rock (vice-chair), John Salazar, Kelly Spitzer and Dan Webster. In April, Brad became chair with Kelly as vice-chair. Eight meetings were held, and in July, Commission members toured the Leprino cheese plants, Smithfield Hog Farms and the Yuma Irrigation Research Foundation facility. During meetings, discussion topics included agency funding issues, upcoming ballot initiatives and referendums with the CSU College of Agriculture Advisory Committee and water issues at a Multi-Agency joint workshop.

Administrative Services

Pat Farnes, Controller

The Section continues to provide accounting, purchasing, cashier services, payroll, contracts, state vehicle services, facilities/space/maintenance/project planning, and administration, and business support services to each division, the public and department clients. The Section will continue to work with and train staff in accounting rules and procedures in addition to meeting fiscal deadlines and providing timely information as requested by the Governor's Office (OSPB), Joint Budget Committee and State Controller.

Budget

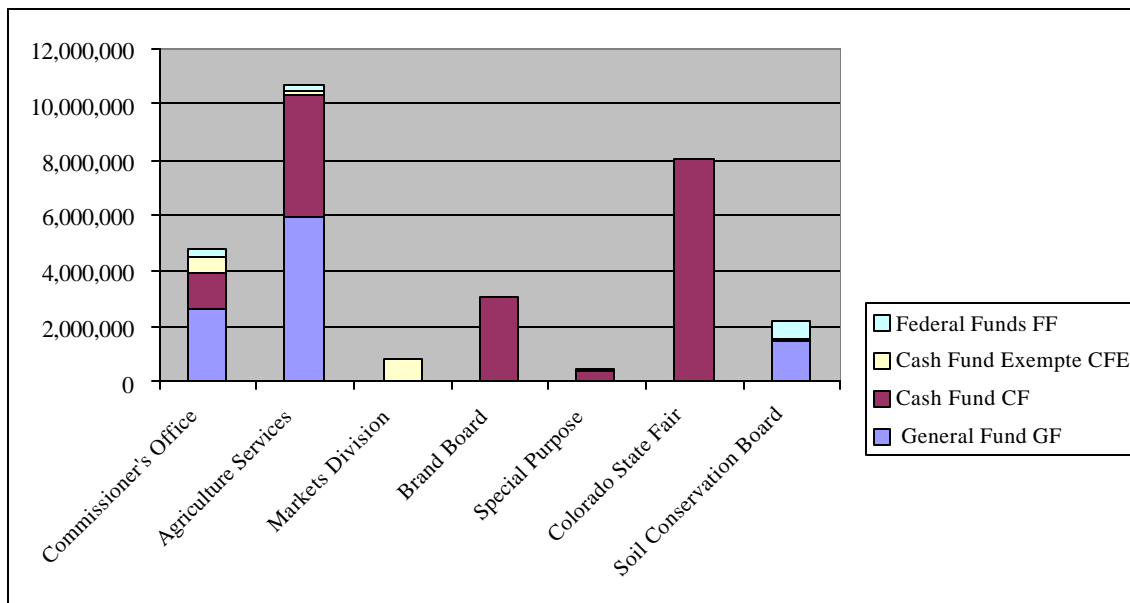
Jon Reitan, Analyst

	Office of Commissioner	Agriculture Services	Markets Division	Brand Board	Special Purpose	Colorado State Fair	Soil Conservation Board	Department Totals
General Fund GF	2,635,329	5,961,441					1,499,106	10,095,876
Cash Fund CF	1,305,587	4,362,438	75,945	3,048,645	413,505	8,052,380	80,973	17,339,473
Cash Fund Exempte CFE	542,299	185,000	709,459		34,650		14,004	1,485,412
Federal Funds FF	273,259	225,009					600,000	1,098,268
Division Total	4,756,474	10,733,888	785,404	3,048,645	448,155	8,052,380	2,194,083	30,019,029

*HB 00-1460 transferred the Soil Conservation Board from the Department of Natural Resources to the Department of Agriculture.

*Division Totals also include FY 01 Long Bill, SB 00-179, HB 00-1458, HB 00-1215.

Approximately 300 employees provide more than 300 different regulatory, inspection, marketing, consumer protection and other services across Colorado with .25 percent of the state's operating budget.



Human Resources

Marilyn Stolpa, Director

Our mission is to provide a full range of services to all customers to insure that the Department hires and retains high quality as well as satisfied employees. Administration areas include recruitment and selection, job evaluation, benefits, leave, retirements, data input in the state employee database, workers' compensation, short term disability, risk management, and employee and management consultation.

To foster a more efficient and effective operation, tasks included a joint effort with the IT section to refine a comprehensive database that streamlines many human resources-related tasks; work site ergonomic evaluations for employees to prevent possible work related injuries; and integration of Soil Conservation Division into the department. Thirty-four vacant positions were filled along with temporary positions to provide seasonal assistance for brands, fruit and vegetable inspections and other programs. The office formed a liaison committee to bring division representatives together to problem solve, share information and educate. The office continues to be involved in implementing pay for performance.

Information Technology

John Picanso, Director

The Information Technology (IT) Section is committed to supporting the Governor's initiative to transform state government, so we are better prepared for the digital age. Our goals include the following:

- Preparing for e-Government through the use of innovative technology solutions and applying these solutions to better meet the needs of an important and dynamic agricultural industry;
- Improving access to and interaction with state government;
- Increasing collaboration and sharing of information within state government; and
- Enhancing enterprise resources through data integration, thereby improving business intelligence and best practices, in decision-making.

This year the IT section further developed the Colorado Department of Agriculture's Information Store (CDAIS) by building a computer infrastructure to capture and disseminate more data. To prepare for e-Government initiatives, it is designed to become a fully integrated information system, leading to improved services between government, industry and the community.

Risk-management systems have continued to improve over the past year by expanding into new Divisions and improving existing systems. Divisions with new risk-based reporting systems include Plant and Animal Industries and Inspection and Consumer Services. New web-enabled applications via the Internet have provided great efficiencies in delivering data to the public.

Policy and Communications

Jim Miller, Director

Wildlife Species Protection

With the help of other state and federal agencies and local land management organizations, the habitat of the black-tailed prairie dog is protected through an innovative, pilot program that will offer incentives to landowners who agree to maintain the species and habitat.

Water Quality Improvement

Efforts are under way to secure funding for full implementation of non-point source water pollution control efforts on private, agricultural lands. This pilot program is designed to fund best management practices on fields and pastures without financial impacts to the landowner. Working with the Water and Power Development Authority, funding is being sought for five years as well as potential pilot program sites.

Risk Management

Pueblo County farmers suffered extensive crop damage from a devastating hailstorm, so the Department worked with local governments, CSU Cooperative Extension and USDA's Risk Management Agency to seek insurance protection. A pilot insurance program was drafted that would provide farmers with gross income protection under a special provision in the law. Although unsuccessful, the form will be resubmitted.

Federal Farm Policy

Working with the Western Association of State Departments of Agriculture and the National Governors Association, the Department made recommendations in developing the 2002 Farm Bill.

Animal By-Products

Recent federal regulations developed to prevent an outbreak of bovine spongiform encephalopathy have caused financial stress on companies involved in rendering animal parts, which affects the removal of dead or injured livestock. The department is exploring the issues and potential remedies facing the industry.

Resource Analysis

Dr. David Carlson, Director

This section analyzes key issues and trends affecting Colorado agriculture and develops and manages special programs at the direction of the Commissioner. One duty involves disseminating information on agricultural land conversion in Colorado through documents and presentations, focusing on landowner-oriented approaches to agricultural land preservation. Section staff, together with the U.S. Department of Agriculture (USDA) National Agricultural Statistics Service and the USDA Natural Resources Conservation Service, issued a detailed comparative analysis of the different data sources for agricultural land conversion trends. Check the section's extensive set of tables and articles at [www.ag.state.co.us/resource analysis](http://www.ag.state.co.us/resource%20analysis).

Staff took part in task forces and stakeholder meetings to develop growth management approaches acceptable to agricultural interests. Analysis was done on the positive contribution of confined animal operations to open space preservation in Colorado as well as developing acceptable solutions to agriculture-wildlife conflicts. A final report was released containing estimates of net irrigation requirements by crop for each county. Efforts were also made in the implementation of the Colorado Performance Pay Plan.

Colorado Agricultural Outlook Forum

Section staff coordinated the 2001 Colorado Agricultural Outlook Forum, which attracted nearly 400 people. Several national and state speakers addressed our theme "Capitalize on Changing Technology and Policy" during this event on February 13, 2001. The mission of the CAOF is to facilitate a spirit of community to enhance Colorado agriculture's competitiveness; and to encourage positive awareness of agriculture, and interaction among commodity and other industry segments. Sponsors are the Department, Colorado State University Cooperative Extension and graduates of the Colorado Agricultural Leadership Program.

Animal Industry

Dr. Wayne Cunningham, Division Director

Led by the State Veterinarian, the Division is responsible for animal health and disease control activities. The division works closely with the livestock industry and veterinary medical organizations as well as other state and federal agencies to protect the health, welfare and marketability of livestock. With 20 employees, the division has five sections: animal health and disease control, Bureau of Animal Protection, Rocky Mountain Regional Animal Health Lab, rodent control and pet care.

Animal Health and Disease Control Section

Dr. Ron Ackerman, Section Chief

With the help of the Colorado Animal Emergency Preparedness Task Force, the Section has spent a great deal of time in developing an Animal Emergency Preparedness Plan. The Plan specifically addresses the threat of a Foot and Mouth Disease (FMD) Outbreak in Colorado with the focus on prevention.

Initially, all animal movements from the European Union were prohibited. When it became apparent that the disease was not going to spread across Europe, the restrictions were changed to apply only to animals from FMD-infected countries. Cloven-hoofed animals from these countries continue to be prohibited. The movement of companion animals and horses from FMD countries into Colorado continues to be restricted. Prior entry permits must be obtained from the Division before these animals can be brought into the state.

In addition, horses are quarantined and kept away from all livestock for five days in the country of origin. Upon arrival in the U.S., their hoofs are cleaned and disinfected, and the rest of their bodies are soaked in an acetic acid (vinegar) solution, bathed and dried. After this, the horses are required to remain in the official USDA quarantine for seven days. Feed, bedding and tack that cannot be disinfected are banned.

Companion animals have to originate from an urban area. Upon arrival to the U.S., they have to be soaked in an

acetic acid solution, bathed and dried. They must remain in an urban area where they are quarantined inside for 10 days and only allowed outside on a leash during this time.

Guidelines were developed and published for travels from FMD countries. Guidelines were provided to members of two Dude and Guest Ranch Associations as well as livestock producers hosting tours sponsored by the Denver Museum of Natural History, since many of the participants are world travelers.

Animal Industry also worked closely with USDA Veterinary Services and USDA Plant Protection and Quarantine to make sure that foreign visitors arriving in Colorado on one of the three daily international flights were interviewed and decontaminated as needed.

More than 30 public meetings on FMD were held. Five Train-the-Trainer sessions were provided for Colorado State University Cooperative Extension Agents, county commissioners and key veterinarians.

The Division also developed numerous Web pages and documents on animal diseases and Colorado import requirements. Monthly education programs have been given to veterinarians and Cooperative Extension Agents on Chronic Wasting Disease, Scrapie, Bovine Spongiform Encephalopathy, Classical Swine Fever (Hog Cholera), E. coli O157 H7, the Incident Command System for animal emergencies, Hantavirus and tick borne illnesses.

Cow-calf producers in Southwestern Colorado have experienced a serious increase in the incidence of bovine Trichomoniasis. The Division has worked collaboratively with them to develop proposed new rules to control the disease.

Bureau of Animal Protection

Dr. John Maulsby, Bureau Chief

This year, the Bureau of Animal Protection (BAP) hired a new investigator to assist in daily activities. Scot Dutcher started on April 16. He has a strong background in animal production and has the ability to communicate well with people about their animals.

In addition, several cruelty cases were successfully prosecuted which ended extensive investigations. The most noteworthy case involved Ben Palen, who was ordered by the Douglas County District Court to pay \$32,000 restitution to two Texas ranchers for the loss of their cattle due to starvation. In May 2000, he also pled guilty of felony theft of cattle in Denver District Court and was ordered to pay \$13,000. Two cases involving injured and debilitated horses resulted in the horses being euthanized against the will of the owners. Veterinarians in private practice were utilized in one case to verify the necessity of this action.

Emergency preparedness has become a very important part of the Bureau's activity. During August 2000, two fires along the eastern slope resulted in the Bureau moving numerous horses in the Bailey area to safety with the help of animal welfare agencies, veterinarians and volunteers. Personnel attended numerous emergency preparedness meetings and have trained to plan a coordinated response to natural disasters, biological disasters and chemical disasters.

The BAP continues to assist animal control agencies and Sheriff's departments across the state in investigating alleged animal cruelty. Training seminars for law enforcement officers are also offered to prepare them for investigating cruelty complaints.

Pet Animal Care Facilities Section

Dr. Keith Roehr, Section Chief

The Pet Animal Care Facilities Act (PACFA) program has been operating for six years and has produced a tangible improvement within many pet care facilities across the state. At the inception of PACFA, administrative duties included licensing facilities, completing routine inspections and delivering licenses. As we completed routine inspections of each facility licensed within the program, we were able to develop a risk-based program, which enabled us to focus on higher risk facilities. This year, we've been able to devote more attention to license compliance issues and now have more than 1,500 licensed facilities in the program.

The PACFA Advisory Committee provides guidance and direction for both rule and statute changes. In four of the past five years, we have completed needed changes within the PACFA rule and statute. These changes have improved the program by creating greater equity in licensure, clarified minimum pet care-facility standards, and dealt with facility standards that were previously not addressed. Our program has become a model to other states that have an interest in addressing pet-care problems.

In the 2000 license year, we increased the use of fines and stayed fines to insure compliance with minimum facility standards. The number of repeat violations has decreased, and an increase in complaints as more of the public becomes aware of the PACFA program, which continues to provide a reasonable minimum standard for the care of pet animals and has improved the welfare of animals at various types of facilities.

Rocky Mountain Regional Animal Health Laboratory

Richard Forde, Section Chief

RMRAHL provides accurate, timely, efficient laboratory services and logistical support to various regulatory programs and veterinary practitioners as well as a means of conducting animal disease diagnosis and surveillance activities that facilitate the movement and marketing of livestock.

Increasing importance is placed on herd health, emergency preparedness, livestock pre-harvest practices, global trade, zoonotic diseases and food safety. RMRAHL is positioned to provide support for these important issues. About 123,000 tests for livestock diseases were performed. These tests assist in disease surveillance, animal health programs, and livestock qualification for intrastate, interstate and international movement. Personnel train livestock veterinarians in test procedures and provide confirmatory tests.

RMRAHL was selected by Agricultural Research Service to help validate a PCR method that will detect Johne's Disease directly from cattle feces. If successful, this important methodology will benefit veterinarians and livestock producers alike. The laboratory has also enhanced its testing capabilities for *Escherichia coli* O157 and *Trichomonas foetus*.

When RMRAHL's interactive Web site is complete, users will be able to secure test results, order supplies, download and print various forms, and communicate with the laboratory via the World Wide Web. Users can now print the "Supply List Order Form" and the "Testing Services and Fees Form."

Rodent/Predator Control Section

Mike Threlkeld, Section Chief

The Colorado Agricultural Statistics Vertebrate Rodent Infestation Survey states 5.7 million acres of Colorado farm and ranch land are damaged to some degree by prairie dogs, gophers and other rodents. The Section provides options, information, training and supplies to private citizens and local, state and federal officials to control vertebrate pests. Assistance is given to producers in controlling livestock predator losses through cooperative agreements with federal, state and local agencies and associations.

Brand Inspection Division

J. G. Shoun, Division Director

More than 37,000 livestock brands are administered to identify ownership of cattle, sheep, mules, burros, horses, elk and fallow deer. Brand inspection is crucial to verify ownership in cases of strayed or stolen livestock, and animal health programs are strengthened by the ability to trace animals to their herd of origin.

State Board of Stock Inspection Commissioners members, who administer the Division, are Dick Tanner, Yoder; Dean Davis, Lindon; Lee Spann, Gunnison; Linda Ingo, Ridgway; and Roger Hickert, Akron.

With 65 brand inspectors, eight brand foremen, one theft investigator and 10 administrative personnel, including the Brand Commissioner J.G. Shoun, the annual budget exceeds \$3 million and is completely funded by fees levied to livestock owners and brand registration assessment fees levied every five years.

The division is assigned five principal regulatory responsibilities: record and administer livestock brands; verify ownership before sale, transportation beyond 75 miles, transportation out of the state, or slaughter; inspect and license packing plants, livestock sale rings as well as inspect all consignments before sale to verify ownership; license and inspect alternative livestock (elk and fallow deer) facilities; and investigate reports of lost or stolen livestock and to return stray or stolen livestock to their owners.

In addition, brand inspectors collect beef promotion and research funds, as well as Colorado Horse Development Authority horse promotion funds. The division is also the trustee for all surety bonds issued to licensed markets and packinghouses doing business in Colorado.

In 1999-2000, personnel traveled in excess of 1.3 million miles and inspected more than 5.2 million head of livestock. They identified ownership of lost, stolen, strayed or questionably owned livestock valued at over \$37 million. More than 60,000 horse inspections were conducted with permanent horse travel permits issued on more than 8,800 head of horses. About 3,000 elk and fallow deer were inspected, and 158 Alternative Livestock licenses were issued.

The Division has concentrated on educational programs. The focus is on teaching brand law and theft prevention to the public and law enforcement agencies with 14 classes given statewide.

Markets Division

Jim Rubingh, Division Director

The Division develops new marketing opportunities for Colorado producers and processors as well as retaining and enhancing existing markets for Colorado products. The Division also oversees eight market orders, is responsible for administration of the Wine Industry Development Board, licenses all of the state's aquaculture producers and provides staff for the Colorado Agricultural Development Authority.

Market Orders

Helen Davis, Senior Marketing Specialist

The Division's responsibilities involve establishing, enforcing and overseeing the administration of eight active market orders: apples, corn for grain, potatoes (two growing areas), dry edible beans, sweet corn, milk and wheat, representing 15,000 farms and more than \$1 billion in sales.

A market order allows producers of a specific commodity to work together to solve marketing problems and conduct programs that would be impossible for individual producers to accomplish. Enforcement involves conducting investigations, holding hearings and reviewing audits of the orders.

Budgets for the eight market orders were reviewed with approved expenditures totaling over \$3 million.

Market orders are created and can be discontinued only when growers petition the Commissioner of Agriculture. Each commodity has its own board, composed of producers who determine how those funds should be used such as on research, promotion and education. Most market orders are totally or partially refundable, allowing producers to request refunds within 30 days.

This year, sunflower growers voted to create a market order, which will be established July 1, 2001.

International Marketing

Timothy J. Larsen, Senior International Marketing Specialist

The international marketing mission is to assist Colorado food and agricultural companies and producers in developing international markets for their products. Colorado's agricultural exports have contributed about \$1 billion in sales for the past years. The Division helps determine a company's export potential by locating information specific for the product and target market.

A variety of programs help fund international marketing efforts. In 1999, seven Colorado companies received more than \$249,000 in trade assistance funds through the Western U.S. Agricultural Trade Association (WUSATA), and 21 AITPP grants were awarded for more than \$21,000 to assist Colorado companies in traveling to markets in Europe, the Americas and Asia.

The State of Colorado has offices in Japan, Mexico and Germany. The Department can provide information on each office's services and assist in obtaining maximum benefit from these offices as well as serving as the conduit for access to USDA export programs and funding through WUSATA. Programs included breedstock sales mission to Mexico; hosting Mexican cattlemen; a pavilion of Colorado and Western U.S. companies at Mexico's largest trade show for consumer products (ANTAD); researching the organic food market in Canada; promoting food sales to the food service sector in Japan; and promoting Colorado's organic and natural foods in Europe.

Publications prepared on the international market place include the Chinese Report, a comprehensive report on the China market potential; the Developing a Marketing Plan series for the Canadian, Mexican and Japanese; and the Ranchers English and Spanish Dictionary.

Domestic Marketing

Wendy White, Marketing Specialist

The domestic marketing program works to increase demand for Colorado food and agricultural products in all markets. In addition to a quarterly newsletter, several directories are published for Colorado producers: *Hay Directory*, *Farm Fresh Directory*, the *Colorado Food Directory* and the *Food and Beverage Gift Guide*. These publications are available on the Internet.



The Colorado Proud marketing program had a successful second year with more than 180 licensed participants. After Governor Owens proclaimed August 2000 as Colorado Proud month, a celebration with 25 Colorado Proud companies and 250 legislators, media and the public took place on the State Capitol lawn. The First Annual Governor's Award for Excellence benefit banquet was in September, and five Colorado Proud companies were recognized for their excellence in marketing the logo. In October the program partnered with the ACF Culinarians of Colorado to host the First Annual Governor's Symposium Celebrating Colorado Cuisine. A Colorado Proud insert was also published in the *Rocky Mountain News*.

Ongoing activities include the seal of quality program that differentiates super-grade apples; a seal of quality program with Colorado livestock; the Centennial Farms program; and the Gimme 5 Colorado produce campaign, a statewide effort to increase awareness of the importance of fruits and vegetables in the diet.

As part of AgInsights, the Division maintained the Colorado Agricultural Speakers Bureau, which provides speakers on Biotechnology for audiences throughout the state. AgInsights also sponsored a photography contest and worked with a local sculptor to create and sell statues to honor Colorado farmers and ranchers. With each statue purchase, the buyer's name is engraved on a bronze plate to be placed at the foot of the heroic-sized sculpture at Colorado State University. The group has sold 66 statues.

The Division also administers a program to promote Colorado wines, which is funded by the Colorado Wine Industry Development Board. As the lead agency for aquaculture development in the state, the Division has licensed more than 40 aquaculture facilities. Personnel from the Division assist in distributing \$6 million in agricultural loans/bonds for first-time farmers and for agricultural processing through the Colorado Agricultural Development Authority.

Business Development

Rosemary Biggins, Business Development Specialist

The purpose of the business development program is to encourage agricultural manufacturing in-state through assistance to start-ups and existing businesses as well as agricultural recruitment undertaken in partnership with the Colorado Office of Economic Development and International Trade.

Two financial assistance programs are offered and funded by the Colorado Economic Development Commission. *The Agricultural Processing Feasibility Grant* program assists local governments and entrepreneurs in evaluating the potential for developing or expanding agricultural processing facilities with approximately \$50,000 per year in funding. The *Domestic Trade Show Assistance Program* provides partial booth space funding at domestic trade shows to companies that grow or process food products in the state.

An educational workshop, titled *Starting a Food Processing Business (SFPB)*, began in 1993, and was recently given for the 23rd time. Evaluations from approximately 775 participants show this workshop to be an excellent resource to help start-ups understand the steps in developing a food processing business and recognize the necessary contact people. Another workshop, *Marketing Your Food Product*, provides a thorough one-day marketing program for start-ups and existing businesses. Additional programs include one-on-one company consultations and the *Agricultural Business Review Program*, which provides agricultural producers and processors with a business plan review of their proposed project and/or venture.

Business development publications include the *Food Processing Kit*, the *Colorado Co-Pack Directory*, *Public Finance for Colorado Agriculture*, *Food for Thought* (a value-added focused newsletter) and *Getting the Most Out of Your Feasibility Study*.

Market News

Tom Gutierrez and Charlie Niccoli

Personnel attend livestock sales at the major sale yards around the state to report the movement and price of livestock exchanged in open trading. This information is made available to livestock producers. The staff also monitors and reports on hay, fresh produce and nursery marketing.

Plant Industry

John Gerhardt, Division Director

The Division of Plant Industry performs a wide array of services to the public and engages in several important environmental and public health protection programs.

Biological Pest Control Section

Kent Mowrer, Section Chief

In 1945, The Bureau of Plant and Insect Control developed the state's initial biological pest control program in Palisade, Colo. Employees at the Insectary study, import, rear and release beneficial insects to control plant and insect pests, which decreases production costs, reduces chemicals in the environment and offers a more permanent pest control solution.

The staff of the Biological Pest Control Section made releases of 39 species of beneficial insects that were designed to assist in the suppression of 17 weed species and six insect pests. A total of 733 releases of natural enemies were made during the growing season. From 277 post-release surveys, it was determined that 20 of the beneficial insect species are now established in Colorado. These activities were conducted throughout the state on private and public land.

Plant and Insect Section

Mitch Yergert, Section Chief

This section provides the following services:

- Inspect plants and plant products intended for export to provide certification required by receiving states and countries;
- Register sellers of nursery stock, providing inspection of that stock to aid in control of insects and diseases, and aiding consumers in purchasing high quality stock;
- Inspect apiaries for bee diseases, by request;
- Conduct pest surveys and work with private and public agencies to control certain pests;
- Administer and enforce the Colorado Chemigation Act to avoid pollution of ground and surface water sources;
- Register and inspect commercial seed dealers to assure truth in labeling of seed as to content and germination claims;
- Administer the organic production certification program to assure buyers organically-grown produce conforms with state standards;
- Administer fruit and vegetable pesticide residue monitoring under contract with USDA; and
- Administer request program for certification of weed free forage crops including hay and mulch crops;
- Register canola fields to avoid cross-pollination of different types of rapeseed (The San Luis Valley is the only area subject to the registration program at this time);
- Implement noxious weed program including distribution of grant money allocated by the Legislature for use by counties, and numerous other activities performed by the state weed coordinator; and
- Enforce late blight quarantine by inspecting seed potatoes coming into the San Luis Valley.

An estimated 1,700 phytosanitary inspection certificates were issued on plant products for international export, valued at approximately \$20 million. In addition, approximately 1,700 registrations were issued to sellers of nursery stock. About 1,000 inspections of nurseries and greenhouses were conducted with about 10,000 stop-sale orders issued on nursery stock.

Chemigation permits issued totaled 3,299. Approximately 840 inspections of seed dealers were conducted, and an estimated 530 cease and desist orders were issued for violations of labeling. The Section registered approximately 900 seed sellers and custom seed conditioners and certified 209 organic growers.

The Fruit and Vegetable Pesticide Residue Monitoring program identifies possible contaminants in the food system

with a total of 390 samples taken. Under the Weed-Free Forage Certification program, 384 field inspections were made on 17,341 acres of forage and mulch crops, mostly hay, for 139 producers. In the Potato Late Blight Quarantine Enforcement program, 29 loads of seed potatoes transported into the San Luis Valley were inspected. Thirteen compost facility inspections were performed, and 65 cull pile inspections were conducted.

Noxious Weed Management

Eric Lane, State Weed Coordinator

The Department reviewed 41 applications to the Colorado Noxious Weed Management Fund. After careful review, \$261,350 was distributed to 18 management projects of local, regional, and statewide importance. Recipients matched the state's dollars with \$851,429. Awarded grants ranged from \$2,500 to \$30,000.

The Department, in cooperation with Colorado State Parks, published and distributed a new handbook that will help public and private landowners to develop and implement effective noxious weed management plans for individual properties. It is available by request in published form and via the Internet.

Efforts are still underway to develop a strategic plan that will concentrate Colorado's diverse weed management efforts on both public and private lands to stop the spread of noxious weeds. The result will be a more coordinated, efficient and successful weed management effort, which involves numerous public and private partners throughout the state.

Pesticide Section

Tom Kosinski, Section Chief

The Section regulates pesticide products, pest control devices, pesticide applicators and groundwater quality.

In 1999-2000, registered pesticide products totaled 11,955, and 543 applicators were tested for competency. Approximately 771 commercial pesticide application firms were licensed, and 134 limited commercial and public applicators were registered. Approximately 2,782 applicators were licensed as qualified supervisors or certified operators. Fifty-seven complaints on violations of the Pesticide Applicators' Act were investigated with 50 complaints resolved: 21 stipulation and orders, one referral to the Attorney General's office, one warning letter, two miscellaneous enforcement letters, five cease and desist orders, 11 dismissals and nine dropped investigations.

To ensure groundwater quality, the section coordinates the efforts of federal, state and local agencies with the emphasis on public education, outreach and monitoring. Presentations to industry, professional organizations and interested groups are ongoing to inform and seek input. A citizen advisory committee of representatives from the general public, producers, and agribusiness, has been instrumental in determining program priorities, development and implementation.

In 1999-2000, the groundwater protection program inspected 123 secondary containment sites, inspected 112 mixing/loading pads, conducted six leak detection tests and conducted 65 follow-up inspections. The programs issued 11 cease and desist orders and two notices of violation. They conducted follow-up monitoring of the Western Slope for the regional groundwater quality baseline study and continued long-term monitoring in the South Platte. A report was created on the West Slope groundwater quality based on previous season's sampling.

Inspection and Consumer Services Division

Ronald Turner, Division Director

The Division has five sections: technical services, farm products, laboratory services, measurement standards, and fruit and vegetable inspection. With approximately 100 employees, the inspection programs are designed to assure fairness, quality, safety and financial soundness in commercial transactions.

Technical Services Section

Jim Thurman, Section Chief

The Section is responsible for field inspections, testing and/or sampling for the following programs: measurement standards (small devices), feed, fertilizer, anhydrous ammonia, egg and meat inspection. Trained to perform in all program areas, 13 inspectors are empowered to enforce the laws and regulations relating to each program.

The feed program registers feed companies and selectively samples commercial animal feeds. During 2000, the first year under the new Colorado Commercial Feed Law, 904 companies were registered. Inspection fees were collected for 6,543 individual small package (ten pounds and less) products. Tonnage fees were collected on 1,367,544 tons of feed. Under a cooperative agreement with the U.S. Food and Drug Administration (FDA), 18 medicated feed mills were inspected for compliance with the Current Good Manufacturing Practices for Medicated Feed. These mills, as well as an additional 20 mills, were inspected to ensure compliance with the FDA "BSE Rule," which bans the feeding of certain mammalian proteins to ruminant animals to prevent the onset or spread of "mad cow disease" in the United States.

The feed program is in the process of adopting new rules under the Colorado Commercial Feed Law that became effective on January 1, 2000. The new rules are expected to be effective in June of 2001.

The egg program assures quality and labeling standards at the retail and wholesale level. This year, 2,148 retail licenses and 77 wholesale licenses were issued, where eggs are inspected for food safety and quality.

The fertilizer program registers and selectively samples fertilizers, soil conditioners and related products to assure labeling accuracy in accordance with state laws. The department registered 334 companies and 2,954 products, and 4,500 anhydrous ammonia tanks were inspected.

The meat inspection program licensed 61 custom meat processors and 12 food plan operations. Inspections protect the public from unsanitary or fraudulent practices in meat processing and in bulk meat sales.

Farm Products Section

Gary Graalman, Section Chief

The Section enforces statutes regarding licensing and regulations of those who buy and/or store agricultural products produced in Colorado or owned by Colorado residents. The section ensures that dealers and state-licensed warehouses are bonded and adequately capitalized. More than 1,300 firms were licensed and hold surety bonds in excess of \$97,000,000. The section coordinates with the USDA and Commodity Credit Corporation to assure that Colorado grain producers can participate in the government grain loan programs.

Investigations examine complaints by dealers, producers and owners against dealers operating in Colorado. Cease and desist orders and/or other regulatory sanctions can be issued if a firm appears to be financially unable to meet its commitments. Investigations of complaints are conducted regarding timely payment or non-payment for farm products purchased and seek remedies for losses including bond demands, licensing changes, and civil and criminal prosecution.

A grain storage taskforce was created to prevent, prepare for and address grain and livestock problems.

Discussions included grain storage problems, genetically modified corn regulations, the federal loan deficiency payment program guidelines and the loan environment for grain and livestock producers.

Laboratory Services Section

Charles Hagburg, Section Chief

Animal feeds and fertilizer samples are analyzed to ensure they conform to the manufacturers' label claims for nutrients, medications and other ingredients. Pesticide concentrates are checked for compliance with the manufacturers' label claims. Pesticide residue samples are also analyzed in a cooperative grant program with the U.S. Environmental Protection Agency. Department investigators collect these samples in commercial pesticide applicator pesticide misuse or misapplication complaint cases.

The laboratory has a microbiology section, which examines food destined for human consumption for contamination by harmful bacteria in addition to checking animal feeds for antibiotics. Our microbiology lab will begin participating in a new project during the spring of 2001. In a cooperative grant program with USDA, several commodities for bacterial contamination such as E. coli and Salmonella were analyzed. In cooperation with the Colorado Department of Public Health and Environment (CDPHE) and Colorado State University, samples are analyzed for pesticide and nitrate contamination. The lab analyzed approximately 300 water and soil samples for a total of almost 5,000 analyses. The lab performed about 20,000 analyses on over 4,000 samples.

Measurement Standards Section

David Wallace, Section Chief

The Section inspects all weighing and measuring devices in commercial use and certifies public scales. The State Metrology Laboratory maintains Colorado's official mass length and volume standards and provides calibration of mass, frequency, length, volume and moisture in grain for public and private agencies. The Laboratory calibrated 10,750 mass standards, performed 390 other tests, certified 843 tuning forks used to calibrate radar speed detectors and calibrated 132 Laser Speed Guns.

The Section inspects and test packages for truth in labeling and the accuracy of measuring devices used commercially. Of the 25,577 small weighing devices tested, 13.9 percent were out of compliance. Multiple inspectors also performed 94,100 price verifications. Of the 53,694 packages examined for short measure, 26 percent were found to be in error, so the section collected \$49,930.66 in fines. A retail-training program was developed to work with stores to test themselves in price verification, accurate packaging and weighing. A scale company of the year award was given to Northern Colorado Scale and Millwright for 100 percent compliance with the Measurement Standards Act.

The section's large scale units tested and inspected 4,046 scales, while rejecting 39.1 percent of the scales. The section resumed testing grain moisture meters and has tested 139, rejecting 45 percent of them.

Fruit and Vegetable Inspection Section

Tracy Vanderpool, Section Chief

To assure consumers have high quality Colorado produce, the program provides official inspection, grading, and certification of produce quality, condition and size of fresh fruits and vegetables grown in the state. Inspection certificates are issued to certify grade and condition of the product at the time of shipment.

Mandatory inspection is required for potatoes by statute to promote quality standards. Non-mandatory inspections are conducted on other commodities for shippers who wish to market an inspected product.

This year, the section will have inspected an estimated 21,087,396 cwt. of potatoes and will have issued approximately 26,850 mandatory inspection certificates. Staff will also have inspected 660,800 cwt. of other fruits

and vegetables and will have issued 586 non-mandatory inspection certificates.

Soil Conservation

Bob Zebroski, Division Director

The number of soil conservation districts was reduced to 77 with the consolidation of the West Otero and Timpas Districts in February. Financial assistance was provided to the districts through a series of programs:

- **Distribution to Soil Districts:** The funds, \$391,714, are used by the districts to pay for the travel of the local board members, salaries for employees and office expenses. This amount is approximately 6 percent of the total budgets of the local districts.
- **Assistance to Local Governments:** Twelve districts entered into agreements with counties and municipalities to conduct natural resource inventories used for local land-use planning. The \$31,146 was matched by \$464,099 from local sources.
- **Matching Grants to Districts:** Requests totaling \$734,188 were received from 42 districts for cost-sharing projects that had a total cost of 5.2 million dollars. These funds must be matched dollar for dollar from private, local or federal sources. The match for the \$500,00 was approximately \$4.4 million.
- **The Irrigation Water Management Program** is designed to extend the life of the Ogallala Aquifer in eastern Colorado. The Colorado Water Conservation Board contributed \$30,000 to the program to supplement the \$44,775 received from the Legislature and \$54,911 collected in fees from the irrigation well owners. Through the efforts of three State Board employees, 243 irrigation wells were tested resulting in \$1,335,915 in energy savings and 16,287 acre/feet of water saved.
- **Soil surveys** are being accelerated in seven counties with \$75,000 from the Colorado Legislature. These surveys will be completed in six years, four years earlier than originally scheduled. This year surveys will be completed in Clear Creek and Gilpin Counties.

Flooding has heavily damaged the natural resources in the Fountain Creek Watershed in Teller, El Paso and Pueblo Counties. The State Board provided \$96,000 to the local soil conservation districts who have developed a partnership with the Pikes Peak Area Council of Governments to develop a watershed plan.

Four soil conservation districts in the Colorado River Drainage received \$497,211 from the Bureau of Reclamation for cost-sharing with local farmers and ranchers to improve their irrigation systems. The State Board is beginning the fifth year of a multi-year program that has provided nearly 2.5 million dollars to Colorado producers to improve on-farm irrigation efficiencies that will result in lower salt contributions to the Colorado River and improve water quality for downstream users. Funding comes from Lower Basin states and is directed through the Bureau of Reclamation and the State Soil Conservation Board.

Funds were provided for the distribution of an issue of the Colorado Reader on the subject of soil conservation. Sixty thousand copies will be placed in third grade classes throughout the state. Another publication, the "Colorado Conservator", is printed four times a year collaboration with the Colorado Association of Soil Conservation Districts, the Natural Resources Conservation Service, the Bureau of Reclamation and the Colorado State Forest Service. The 12-page newsletter is mailed to 11,000 individuals.

Ten training sessions were conducted for volunteer members of the district board of directors as well as their employees. These volunteer members contributed over 28,000 hours of time for the conservation movement. The Board participated in a joint effort with the Colorado Association of Soil Conservation Districts on Camp Rocky and the Colorado Conservation Teachers' Workshop. About 60 youths attended the weeklong session of Camp Rocky, and 50 teachers attended the Conservation Teachers' Workshop in Durango.

Honored at the National Western Stock Show, the Florence Fuller family, Flagler, won the Conservationist of the Year Award in the farm division, and the Sporleder family, Walsenburg, won in the ranch division.



State Fair

Ed Kruse, Division Director

The 2000 Colorado State Fair experienced another year of revenue growth for the 17-day event. Although gate attendance was down 5 percent, an increase in the gate price, sponsorship revenue, concession sales, and number of commercial exhibitors attributed to the overall profit of the Fair.

More than 800 buyers in the Events Center enjoyed another record-breaking Junior Livestock Sale. Having raised \$288,850, the money went to the 107 Future Farmers of America and 4-H youth who participated in the sale, giving them the opportunity to pursue a college education or participate in future livestock projects. Moving the sale to the multi-purpose Events Center accommodated more buyers and allowed the sale's participants to showcase their hard work in front of a larger crowd.

Youth livestock events were concentrated during the Fair's opening week to make exhibiting easier by minimizing conflicts with back-to-school activities. The change in the 2000 schedule resulted in a sharp increase in the 4-H horse show and livestock entries. In fact, the Colorado State Fair 4-H Championship Horse Show set the national record again.

In addition, the State Fairgrounds in Pueblo hosts hundreds of events throughout the year. A short list includes concerts, rodeos, R.V. rallies, monster truck shows, 4-H activities, receptions, trade shows, car sales and graduation ceremonies. The largest off-season events include the summertime's NSRA Street Rod Nationals and the Rocky Mountain Thunder Rally, and in January Tommy G Production's PBR Bull Ride.

Upgrades to the fairgrounds will start to take shape this summer and will include the construction of an open-sided, all steel structure to cover the West Horse Arena, a new horse show office and three restroom facilities. A new vendor loop will be added to Fountain Park as part of the first phase of the four-year construction project to renovate the drainage and sanitary sewer system.

The 2001 State Fair, which runs from August 18 to September 3, will celebrate its 100th anniversary on the current 88-acre site with many traditional and new venues.